

UNITED STATES INTERNATIONAL TRADE COMMISSION  
Washington, DC 20436

**MEMORANDUM ON PROPOSED TARIFF LEGISLATION  
of the 111<sup>th</sup> Congress<sup>1</sup>**

[Date approved: March 5, 2010]<sup>2</sup>

**Bill No. and sponsor:** S. 2146 (Mr. Lamar Alexander of Tennessee and Mr. Bob Corker of Tennessee).

**Proponent name,<sup>3</sup> location:** Lasko Products, Inc., West Chester, PA.

**Other bills on product (111<sup>th</sup> Congress only):** S. 2127, S. 2145, and S. 2147.<sup>4</sup>

**Nature of bill:** Extension of temporary duty reduction through December 31, 2011.<sup>5</sup>

**Retroactive effect:** None.

**Suggested article description(s) for enactment (including appropriate HTS subheading(s)):**

AC electric motors of an output exceeding 74.6 W but not exceeding 105 W, single phase, each equipped with a capacitor, a rotary speed control mechanism, and a motor mounting cooling ring (provided for in subheading 8501.40.40).

**Check one:**     ☒ Same as that in bill as introduced.  
                     ☐ Different from that in bill as introduced (see Technical comments section).

**Product information, including uses/applications and source(s) of imports:**

An electric motor converts electrical energy into mechanical motion. An alternating current (AC) motor typically consists of two parts: (1) an outside stationary stator having coils supplied with AC current to produce a rotating magnetic field, and (2) an inside rotor attached to the output shaft that is given a torque by the rotating field. AC electric motors can be used in a variety of finished products (e.g., medical equipment and household appliances). However, the subject of this request is a specific type of capacitor-start single phase AC electric motor assembly used to power box-type portable electric fans. The principal import source for such motors is China.

<sup>1</sup> Industry analyst preparing report: Joanna Bonarriva (202-205-3312); Tariff Affairs contact: Jan Summers (202-205-2605).

<sup>2</sup> Access to an electronic copy of this memorandum is available at [http://www.usitc.gov/tariff\\_affairs/congress\\_reports/](http://www.usitc.gov/tariff_affairs/congress_reports/).

<sup>3</sup> The proponent did not identify any additional beneficiaries of this bill.

<sup>4</sup> These proposed bills include similar products that vary in wattage range.

<sup>5</sup> The subject products were eligible for a temporary duty suspension under heading 9902.85.07 through the end of 2009.

**Estimated effect on customs revenue for the subject product classifiable in HTS subheading 8501.40.40:**

	2010	2011	2012	2013	2014
Col. 1-General rate of duty	4%	4%	4%	4%	4%
Estimated value <i>dutiable</i> imports <sup>a</sup>	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000
Customs revenue loss <sup>b c</sup>	\$450,000	\$450,000	\$450,000	\$450,000	\$450,000

a/ Dutiable import estimates were provided by industry sources.

b/ At the request of Congress, customs revenue loss is provided for 5 years, although the effective period of the proposed legislation may differ.

c/ The estimated customs revenue loss is based on a temporary reduction of the general rate of duty from 4 percent ad valorem to 1 percent ad valorem, a reduction of 3 percentage points. The general rate of duty for the subject goods was suspended under heading 9902.85.07, but that heading expired on December 31, 2009. This bill would amend that heading to provide a duty reduction.

**Contacts with domestic firms/organizations (including the proponent):**

Name of firm/organization	Date contacted	Claim US makes same or competing product(s)?	Submission attached?	Opposition noted?
		(Yes/No)		
Lasko Products, Inc. (Proponent) Casey K. Richter/Lawrence Bogard Neville Peterson LLP (202-776-1145)	11/13/2009	No	No	No
A.O. Smith Corp. Karen Duke, 414-359-4111	12/3/2009	No	No	No
Association of Home Appliance Manufacturers Wayne Morris, 202-872-5955 ext 313	12/2/2009	No	No	No
Baldor Electric Co. John Malinowski, 479-648-5909	12/3/2009	No	No	No
Emerson Motor Co. Rob Boteler, 314-595-8387	12/2/2009	No	No	No
Faradyne Motors Greg Walerski, 315-331-5985	12/3/2009	No	No	No
Hunter Fan Company Jim Barrett, 901-743-1360	12/2/2009	No	No	No
Jarden Consumer Solutions Vic Michels, 561-912-4397	11/18/2009	No	No	No
The Motor and Motion Association Bill Chambers, 508-979-5935, bill.chambers@smma.org	12/2/2009	No	No	No
National Electrical Manufacturers Association John Meakem, 703-841-3243	11/30/2009	No	No	No

Name of firm/organization	Date contacted	Claim US makes same or competing product(s)?	Submission attached?	Opposition noted?
		(Yes/No)		
Regal-Beloit Electric Motors, Inc. Paul Lin, 260-416-5472	12/4/2009	Yes	Yes	Yes
Specialty Motors, Inc. Ron Estes, 800-232-2612 ext. 109	12/2/2009	No	No	No

**Technical comments:**<sup>6</sup>

None.

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<sup>6</sup> The Commission may express an opinion on the HTS classification of a product to facilitate consideration of the bill. However, by law, only the U.S. Customs Service is authorized to issue a binding ruling on this matter. The Commission believes that the U.S. Customs Service should be consulted prior to enactment of the bill.

## Submission from Regal Beloit

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From: [Paul.Lin@rbcmgt.com](mailto:Paul.Lin@rbcmgt.com) [<mailto:Paul.Lin@rbcmgt.com> ]  
Sent: Friday, December 04, 2009 3:40 PM  
To: Bonarriva, Joanna L.  
Subject: RE: USITC review of pending legislation

Joanna, we manufacture similar products in the United States. Also, as a corporation, we philosophically disagree with the legislation.

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111TH CONGRESS  
1ST SESSION

# S. 2146

To extend the temporary suspension of duty on certain AC electric motors  
of an output exceeding 74.6 W but not exceeding 105 W.

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IN THE SENATE OF THE UNITED STATES

OCTOBER 29, 2009

Mr. ALEXANDER (for himself and Mr. CORKER) introduced the following bill;  
which was read twice and referred to the Committee on Finance

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## A BILL

To extend the temporary suspension of duty on certain AC  
electric motors of an output exceeding 74.6 W but not  
exceeding 105 W.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. CERTAIN AC ELECTRIC MOTORS OF AN OUT-**  
4 **PUT EXCEEDING 74.6 W BUT NOT EXCEEDING**  
5 **105 W.**

6 (a) IN GENERAL.—Heading 9902.85.07 of the Har-  
7 monized Tariff Schedule of the United States (relating to  
8 certain AC electric motors of an output exceeding 74.6  
9 W but not exceeding 105 W) is amended—

1           (1) by striking “12/31/2009” and inserting  
2           “12/31/2011”; and

3           (2) by striking “free” and inserting “1%”.

4           (b) EFFECTIVE DATE.—The amendment made by  
5 subsection (a) applies to goods entered, or withdrawn from  
6 warehouse for consumption, on or after the 15th day after  
7 the date of the enactment of this Act.

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